

PSRS for your Benefit

PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI

Executive Director Yoakum Reflects on 40 Years in the Public Pension Industry



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PUBLIC SCHOOL RETIREMENT
SYSTEM OF MISSOURI

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Over the last few decades, the shift from traditional defined benefit (DB) to defined contribution (DC) plans has left many Americans without the promise of guaranteed, monthly income stream that cannot be outlived. This shift from DB pensions like PSRS/PEERS to DC accounts like 401(k)s and IRAs, combined with the voluntary nature of retirement systems in the U.S., has left the typical working household in America with virtually no retirement savings.¹

M. Steve Yoakum has experienced much of this change firsthand, not only as a public servant, but also as executive director of the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS).

PSRS/PEERS members have maintained their pensions and escaped this phenomenon. This is due in part to Yoakum's vision and tireless efforts to modernize and prepare the Systems for a successful future, and to help keep their promised lifetime retirement benefits secure for the long term.

A Full Career of Public Service

M. Steve Yoakum first joined PSRS/PEERS on July 1, 1994 as the Systems' executive director. Even then, he was an experienced public pension administrator, with a background in benefits, investments and group health insurance. He had previously served as assistant executive director of the Missouri Local Government Employees Retirement System (LAGERS) from 1978-1986, helping to grow the plan and provide it with the technology, investment professionals and independent legal counsel that would set it up for future growth into one of the state's largest and most successful public pension funds.

He was then tapped for an appointment as Missouri's first executive director of the Joint Committee on Public Employee Retirement (JCPER), a legislative review board for Missouri's public retirement plans. And in 1987, at 33 years old, he became executive director and chief investment officer of the Missouri State Employees' Retirement System (MOSERS), bringing the state employee retirement plan many of the same advancements and

Executive Director Yoakum Reflects on 40 Years in the Public Pension Industry

improvements he proved effective at LAGERS.

Along the way, Yoakum was very involved in the creation of the Missouri Association of Public Employee Retirement Systems (MAPERS), writing the organization's original constitution in 1987. He has held offices in the National Association of State Retirement Administrators and Public Pension Coordinating Council and served as a member of the Government Finance Officers Association and the International Foundation of Employee Benefit Plans.

By the time he brought his unique brand of management and growth to PSRS/PEERS in 1994, he was a proven, effective leader with an overall working knowledge of how public pension plans work, good relationships with elected officials, and a desire to modernize the fund to make it the best it could be. With a vision of moving PSRS/PEERS forward in the most cost-effective way possible, Yoakum stayed at PSRS/PEERS until 1997, when he had the opportunity to enter the private sector as a managing partner of Rockwood Capital Advisors, an investment firm in St. Louis, MO. His experience

there as a money manager would provide him beneficial insight on successful investing, which he put to good use when he returned to PSRS/PEERS, again as executive director, in June 2001.

Although he wasn't looking to return to the public pension industry, a meeting with the PSRS/PEERS Board of Trustees proved they shared his vision of making the Systems the best in the nation. And the choice was made.

Upon his return, he led the charge to modernize and diversify the PSRS/PEERS investment program. As he did at LAGERS and MOSERS, he introduced the use of outside legal counsel and directed the implementation of technology to improve the collection of information and payment of benefits. The result was the creation of an infrastructure and staff at all levels that have indeed driven PSRS/PEERS to the top in terms of public pension plan successes. "Adequate is not good enough," Yoakum says matter-of-factly. "We want to be exemplary."

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A Vision of Long-Term Excellence

In speaking with him, it is plain from the start he views his success in the public pension industry during the last 40 years as the result of “being at the right place at the right time;” an ongoing learning experience that has provided him the opportunity to provide retirement security to Missouri public school personnel and help those schools attract and retain the best employees.

But his proudest accomplishment is having served as a mentor to many successful pension and investment professionals who now share and implement their own versions of his vision and goals at pension plans all around the nation.

His dedication to the ongoing success of PSRS/PEERS has not faded.

“I want us to be the ‘go-to’ fund in America,” he explains. “When there is an issue in our industry, the first thing I want people to ask is, ‘What is PSRS/PEERS doing?’” To a large extent, that has happened. Dubbed the ‘Missouri Model,’ the PSRS/PEERS trust fund’s operations have become an example other plans aspire to.

Future Outlook

His vision for the public pension industry is grounded a holistic view of pensions as the most effective way to deliver retirement security. He understands the positive economic benefits of such pension plans that trickle down to all Missourians, not just those who receive retirement benefits. And he sees the bigger picture in a way most, even those who benefit from pensions, don’t think about.

“One of the key things about the pension industry that people forget is that we are here for perpetuity, not a fixed period of time,” Yoakum says. In his view, the success of the industry demands we think about the needs of the systems, and their members, not just today, but literally, for centuries to come.

Meeting Challenges

Over the last few decades, economic downturns and political pressures have meant the nature of the pension business is one of constant change and

challenges. Difficult investment markets and low interest rates, coupled with increased special interest group pressures to move public pensions toward defined contribution plan models like 401(k)s, have made the present, what Yoakum deems, the most difficult time he can remember to run a well-funded pension plan.

He cautions against getting complacent about current successes using a favorite sports analogy. “Winning your first Super Bowl is hard. Winning a second is harder. I want PSRS/PEERS to win multiple championships.”

Keeping it Real and Staying Humble

Through it all, his honest and down-to-earth desire to help people achieve retirement security remains constant. With 40 years of experience and an impressive list of accomplishments behind him, he remains ready to accept new challenges. At the same time, he seems humbled by the power to positively impact so many others and is grateful to work with a Board, management and staff who share his passion.

“People at PSRS/PEERS understand this is an amazingly important responsibility we have,” Yoakum says. “People’s lives depend on what we do. It is something I remind myself of every day.”

“This is not complicated, just do the right thing,” he adds with a smile. “It will usually work out pretty well in the end.”

¹National Institute on Retirement Security (NIRS) report, *Millennials and Retirement: Already Falling Short*, Jennifer Erin Brown, M.S., J.D., L.L.M. February 2018.



2018 Legislative Update

Since the General Assembly began the 2018 Legislative Session on January 3, 2018, over 2,200 bills have been introduced. The Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) are closely monitoring over 250 bills.

This session, several bills of interest to PSRS/PEERS and our members contain similar provisions. Common themes include proposed changes to the existing provisions for working after retirement and proposed changes to the structure of the PSRS/PEERS Board of Trustees. Following is an overview of some of the bills receiving the most traction so far this session, as of the release of this newsletter.

The status of these bills can change daily. To view a summary and the current status of all the bills we are tracking this session, visit www.psrs-peers.org/legislation.

Senate Committee Substitute (SCS) HB 2044 and HCS SB 1021

These are omnibus public pension retirement bills that contain provisions impacting more than eight different state retirement plans. There are three provisions that impact PSRS/PEERS directly.

- Any teacher retired from PSRS can be employed in a position covered by PEERS without losing retirement benefits. The retired teacher may earn up to 50% of the minimum teacher’s salary (\$12,500) and will not contribute to the Retirement System or earn service. Employer contributions must be paid. If the retiree’s work exceeds these limits, the retiree will not be eligible to receive a retirement benefit for any month employed, and will contribute to the Retirement System if he or she is working in an eligible position.

- Municipal firefighter pension plans can enter into cooperative agreements with other pension plans, including PSRS and PEERS for the transfer of service between the plans. PSRS or PEERS would have discretion to choose whether to enter into such agreements.
- Exempts information pertaining to the salaries and benefits of the executive director and employees of PSRS/PEERS from being confidential.

Another provision in this bill that we are closely monitoring impacts the Public School Retirement System of the City of St. Louis and the Kansas City Public School Retirement System. It allows benefits to be modified, changed, reduced or repealed for any member of these systems hired on or after August 28, 2018. The modification or repeal would only apply to service rendered by the member after the effective date of the changes. This provision would potentially allow the General Assembly to make changes at any time to benefits for members who are actively employed (hired after August 28, 2018) without impairing their constitutional guarantee.

House Committee Substitute (HCS) HB 2335

This bill allows any teacher retired from PSRS to be employed in a position covered under PEERS without losing retirement benefits.

- Under this bill, retired PSRS teachers may earn up to 60% of the minimum teacher’s salary (\$15,000) and will not contribute to the Retirement System or earn service.
- The employer, however, must make contributions on the retiree’s behalf.
- If the retiree’s work exceeds these limits, he or she will not be eligible to receive retirement benefits for any month they are employed, and he or she must contribute to the Retirement System if working in an eligible position.

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According to the Systems' actuary, PricewaterhouseCoopers (PWC), there will be an insignificant cost *savings* to this provision, because the bill will not incent retired teachers to retire early, there is a low salary cap and the employer contributions are collected on any salary earned. This language is also contained in HCS HB 2044.

The Board went on record in support of the HCS HB 2335 as long as two provisions remain in the bill: the salary limit remains at 60% of the minimum teacher's salary and the employer is required to pay contributions on the salary earned.

House Bill (HB) 2660

This bill changes the structure of the PSRS/PEERS Board of Trustees. Currently, the Board includes three elected PSRS trustees (certificated) and one elected PEERS trustee (non-certificated). This bill will restructure the seven-member board to have two elected PSRS trustees and will add one elected trustee from a school board of a member school district.

This bill also requires PSRS/PEERS to pay to a covered employer any contributions made on behalf of members who are no longer active and have taken refunds of their contributions and interest.

Currently, if a member takes a refund, the employer contributions remain in the System and are utilized to offset the cost of retirement benefits for the other members and employers. If PSRS/PEERS must return employer contributions to the employer when a member takes a refund, it may jeopardize the Systems' status with the IRS as defined benefit, tax-qualified governmental pension plans, and raise tax qualification issues for the Systems under the IRS Code.

According to PWC, this provision will have an actuarial cost of over \$508.2 million to PSRS' Unfunded Actuarial Accrued Liability and a potential increase to the PSRS contribution rate of 2.07% for members and employers. This cost does not take into account the amount the System would have to pay to the IRS if our tax-qualified status is revoked.

The Board went on record to oppose any legislation, such as HB 2660, that alters the tax qualified status

of PSRS/PEERS and requires employer contribution refunds for members who take refunds from the Systems. The Board also made a unanimous motion to support any legislation that affirms the current structure of the Board. Currently, the appointment process by the governor allows for the flexibility to appoint a school board member without mandating such an appointment by statute.

House Committee Substitute (HCS) HB 2200

This bill allows school boards to establish "schools of innovation," offering a program with a curriculum, delivery method or instructional model different from the traditional school model. It affects PSRS/PEERS in two ways:

- It allows a retired PSRS teacher to return to work part-time or as a temporary-substitute for a covered employer in these schools of innovation and not be subject to the current working after retirement limits on hours and salary.
- It circumvents the current Critical Shortage Full Time Employment Exception provision by allowing retirees working full-time under this provision to do so at these schools of innovation or cooperatives without the currently required employer contributions on their salary.

Last school year, over 10,514 PSRS/PEERS retirees returned to work for a covered school district part-time or as a temporary-substitute. They earned more than \$70 million dollars, and while the average earnings were \$7,092 for PSRS (\$4,800 for PEERS retirees), there is still a financial impact to the Systems if this statute is expanded without any working after retirement limits for school of innovation.

Also last school year, 166 PSRS/PEERS retirees returned to work under the Critical Shortage provision. Their employers were required to pay contributions on all salary earned.

These proposed changes could affect future retirement patterns of our PSRS members. If this happens, PWC would have to change the current retirement

assumptions, which would also impact the Normal Cost of the System, which could further increase the Actuarially Determined Contribution Rate and result in a long-term cost increase for the Systems.

PWC has projected this bill, if implemented, will have a cost between \$101.1 million and \$187.1 million to PSRS' Unfunded Actuarial Accrued Liability and a potential increase to the PSRS contribution rate from 0.26% to 0.47% for members and employers.

The Board went on record to oppose any working after retirement legislation that would have a cost to the Systems and increase the Systems' liabilities.

Other Bills of Interest



The bills listed below would also have a potential impact on PSRS/PEERS and our members, but as of the date of the printing of this newsletter, have received less attention from the legislature and have seen less movement toward becoming law.

For more information on any of the bills we are tracking, visit our website, www.psrs-peers.org/legislation.

- **House Bill (HB) 1670:** Changes the salary limit for PSRS retirees who work after retirement at covered employers from 50% of the annual compensation payable under the district's salary schedule for the position filled to 50% of the salary paid to the person who last held the position.
- **House Bill (HB) 2619:** Changes the current 550-hour per school year working after retirement limit to 700 hours for both PSRS and PEERS. The Actuarial Accrued Liability would cost PSRS between \$24.8 million and \$300.1 million, depending upon the number of people who take advantage of this increase. The Actuarial Accrued Liability would cost PEERS between \$5.01 million and \$66.8 million, depending upon the number of people who take advantage of this increase.

Volatility Returns to the Investment Markets

PSRS/PEERS investment returns are reported based on the Systems' fiscal year, which runs July 1 to June 30. That means the full, fiscal year investment reporting period for PSRS/PEERS ends each June 30. As of March 31, 2018, PSRS/PEERS had completed three-fourths of fiscal year 2018 with solid investment returns. The estimated PSRS/PEERS investment return for fiscal year 2018 (July 1, 2017 through March 31, 2018) was approximately 7.0%.

However, volatility in all investment markets has recently increased significantly. For example, for the reporting period ended March 31, 2018, U.S. stocks recorded their worst quarter since the third quarter of 2015 (as measured by the S&P 500 Index), declining by 0.8%. Interest rates also rose significantly for the quarter, with the yield on the 10-year Treasury Note increasing from 2.4% on December 31, 2017 to 2.7% on March 31, 2018.

There continues to be a great deal of uncertainty as global investment markets are caught in a number of cross-currents, resulting in more volatile sentiment and market moves. The many issues facing investors today include:

- Rising interest rates
- Fully valued global stock markets, resulting in expected prospective returns that are well below normal

- Geopolitical risks, including the rise of populism and the North Korea threat
- Expected rising inflation
- The threat of a global trade war

As stewards of your retirement assets, we will continue to focus on long-term investments, but also adjust the PSRS/PEERS portfolio as market dynamics change. We maintain a diversified asset allocation of stocks, bonds, real estate, hedged assets and private equity that is positioned more defensively than global stock markets. Because of this, the PSRS/PEERS portfolio will provide downside protection if there is a market correction. We believe that this investment strategy will provide the Systems with the best opportunity to consistently grow the investment assets, as well as meet the long-term investment objective of a 7.6% return on an annual basis.

The total assets of PSRS and PEERS were approximately \$43.3 billion on March 31, 2018, making the combined entity larger than all other public retirement plans in the state combined, and the 44th largest defined benefit plan in the United States. For the most recent PSRS/PEERS investment news, visit us on the web at www.psrs-peers.org.



Attend a Summer Pre-Retirement Planning Seminar

Whether you are getting ready to file for service retirement, or are even just starting to think about it, we recommend you spend one fact-filled day of your summer break at a PSRS Pre-Retirement Planning Seminar. At a seminar, you will learn from a knowledgeable PSRS benefit counselor, who will discuss retirement eligibility, benefit plan options, income tax considerations and much more. You will receive personalized benefit estimates and a helpful packet of information.

Date	Location	Address	Time	Closing Date to Register
June 5, 2018	Ozarks Technical Community College	815 N Sherman Ave, Springfield	10:00 a.m.	May 23, 2018
June 6, 2018	Blue Springs South High School	1200 SE Adams Dairy Pkwy, Blue Springs	10:00 a.m.	May 24, 2018
June 8, 2018	PSRS/PEERS Office	3210 W Truman Blvd, Jefferson City	10:00 a.m.	May 25, 2018
June 19, 2018	Stoney Creek Inn- St. Joseph	1201 N Woodbine Rd, St. Joseph	10:00 a.m.	June 5, 2018
June 20, 2018	Cape Girardeau Career & Tech. Center	1080 S Silver Springs Rd, Cape Girardeau	10:00 a.m.	June 6, 2018
June 25, 2018	PSRS/PEERS Office	3210 W Truman Blvd, Jefferson City	10:00 a.m.	June 11, 2018
July 10, 2018	Liberty North High School	1000 NE 104 th St, Liberty	10:00 a.m.	June 22, 2018
July 13, 2018	PSRS/PEERS Office	3210 W Truman Blvd, Jefferson City	10:00 a.m.	June 29, 2018
July 17, 2018	Francis Howell Central Elementary	4525 Central School Rd, St. Charles	10:00 a.m.	July 2, 2018
July 24, 2018	Lodge Des Peres	1050 Des Peres Rd, Des Peres	1:00 p.m.	July 2, 2018
July 25, 2018	Lodge Des Peres	1050 Des Peres Rd, Des Peres	10:00 a.m.	July 2, 2018
July 26, 2018	Ozarks Technical Community College	815 N Sherman Ave, Springfield	10:00 a.m.	July 10, 2018
July 30, 2018	PSRS/PEERS Office	3210 W Truman Blvd, Jefferson City	10:00 a.m.	July 16, 2018

Reminders for Those Planning a July Retirement

Congratulations if you are planning to retire in July!

Here are a few tips to help ensure the retirement process goes smoothly.

Application Deadline for July Retirement: June 30, 2018

You must apply for retirement online using Web Member Services or submit your paper **Service Retirement Application** and other required forms and documents **prior to July 1**.

Regardless of when you plan to retire, we recommend filing well in advance of your retirement date. Keep

Registration is required and is easy to complete, but please register early! Seating for each seminar is limited, and we cannot accept late registrations.

To register, log in to Web Member Services at www.psrs-peers.org or call us at **(800) 392-6848**. You need an idea of your desired retirement date, along with your beneficiary's name and birth date. If you need assistance, we can help. We look forward to seeing you at a seminar this summer!

in mind that we will require time to review your application and make sure we have all the supporting documentation needed to process your request accurately and on time for your requested retirement date. This is especially true for those retiring in July, our most popular retirement month.

Make Sure Your Employment is Properly Terminated

You can retire July 1 as long as you properly terminate all PSRS-covered employment by June 30, even if you receive paychecks through August. Proper termination of your pre-retirement employment is required in order to be eligible for service retirement benefits.

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In order to properly terminate employment, you:

- Must end all employment with all PSRS-covered employers prior to your retirement date
- Cannot return to work for a PSRS-covered employer in any capacity for a period of one month after your PSRS retirement date. This includes volunteer work if you later become a paid employee with the same employer in the same, or a similar position.
- Cannot enter into any agreement, written or unwritten, for future employment at a PSRS-covered employer in any capacity until after receiving your first retirement benefit payment. This includes any type of early retirement incentive or separation agreement that requires you to return to work or volunteer in any capacity after retirement in return for salary, including health insurance benefits.

Apply for Service Retirement Online

Filing for PSRS service retirement has never been easier. Now you can file for retirement online using Web Member Services at www.psrs-peers.org. After you log in, you will find the link to apply for service retirement on your Web Member Services home page, under the “My Membership” tab.

Before you start, have the following information readily available:

- The name(s) of your covered employer(s) during the current school year and your last date of employment at each
- The birth dates, Social Security numbers and mailing addresses of those you plan to name as your beneficiaries
- The bank account number and routing number of the account into which you want your benefit electronically deposited
- An idea of how much, if any, income tax withholding you need/want from your benefit each month. You can also use the calculator built in to Web Member Services to help with this.



If you do not properly terminate your pre-retirement employment, you are not eligible to retire and receive benefits. In addition, you are required to repay any benefits received while ineligible, including a Partial Lump Sum Option (PLSO) payment, and may be required to pay contributions on your salary until you properly terminate your employment. The minimum you will forfeit is one full monthly benefit.

When You Will Hear from Us

- We will acknowledge receipt of your retirement application. Please call us if you do not receive acknowledgement within two weeks, or prior to your retirement date.
- Your retirement application is confidential. We will contact your employer for salary information only **after** your retirement date.

After submitting your online application, you will receive confirmation that we received it, and a letter detailing any proof documents we need to process your **Service Retirement Application**. These can vary, but may include:

- A copy of your birth certificate
- A copy of your beneficiary's birth certificate if you are choosing a Joint-and-Survivor benefit plan
- A copy of your marriage license/certificate if you are naming your spouse as your Joint-and-Survivor beneficiary
- An affidavit of insurable interest, if required, for a beneficiary who is not your spouse, child or parent
- A **PLSO Distribution Election** form if you select the Partial Lump Sum Option and want to rollover the lump sum to a qualified account

You can send us any required proof documents as electronic files using our secure document upload found under “Documents” in Web Member Services.

Service Purchase Deadlines Approaching for USERRA, Unpaid Sick Leave and Workers' Compensation Leave

Missing work while on military leave, unpaid sick leave or workers' compensation leave means you will not have a full year of service with PSRS for the affected year(s). The good news is you may be eligible to purchase service with PSRS for the time you missed. However, these types of services purchases have specific deadlines.

USERRA-Covered Military Leave

Purchase Application Deadline: Within five years of re-employment following the leave

Members who have been on military leave covered by the federal Uniformed Services Employment and Reemployment Rights Act (USERRA) can purchase the service. To qualify, you must return to employment with the same employer after your military leave, and apply to purchase the leave within five years of that re-employment.

Your USERRA-covered service counts toward vesting your PSRS membership and retirement eligibility, regardless of whether you purchase your service. If you purchase the service, it is also included in the total service used to calculate your retirement benefit.

Cost to Purchase

Your cost is based on the salary that you would have been paid and the contribution rate in effect during your leave. You pay the employee portion and your employer pays the employer portion.

Unpaid Sick Leave and Workers' Compensation Leave

Purchase Payment Deadline: Two school years after the leave

You can also purchase service that you lost because you were out on unpaid sick leave or workers' compensation leave. You must complete payment within the two school years following the leave. That means if your leave occurred during the 2015-2016 school year, your deadline to complete the purchase

is June 30, 2018. Unpaid sick leave can include time you were on maternity or paternity leave.

Cost to Purchase

Your cost is the contributions you would have made to PSRS during the full period of the leave, if you had been working. Contact your employer to determine if your leave is eligible and arrange your payment.

Why Should You Consider Purchasing Service?

All members are eligible to purchase some type of service before retirement. This is an important consideration, because the amount of service you have on record with PSRS is one of the factors used to determine your benefit eligibility and benefit amount.

A service purchase can help you:

- Increase your benefit
- Reach retirement eligibility sooner

How Purchasing Service Can Increase Your Benefit

The Service Retirement Benefit Calculation				
Benefit Factor	Final Average Salary (Per Month)	Years of Service on Record with PSRS	Lifetime Single Life Monthly Benefit	
2.5% x	\$4,250	x 25 =	\$2,656	
2.5% x	\$4,250	x 26 =	\$2,763	

Purchase one year of service

In this example, the purchase of one year of service increases the lifetime monthly benefit amount by \$107 per month, or \$1,284 per year.

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How Purchasing Service Can Help You Retire Sooner

If you are near retirement, you may also be able to purchase service and get closer to, or even reach retirement eligibility. This is because a certain number of years of service are part of the requirements for retirement eligibility, no matter if you want to retire early or with full benefits.

For example, if you want to retire with normal, or full, retirement benefits you must reach any one of these criteria:

- Age 60 with at least five years of service
- Any age with at least 30 years of service
- The sum of your age plus your years of service equals 80 or more (Rule of 80)

Timing Can Impact Your Cost

For many service purchases, the cost is based, in part, on your highest annual salary on record. The higher your highest annual salary on record with PSRS, the more your purchase will cost. For that reason, it may make sense to purchase service earlier in your career, before your salary increases.

A service purchase can be quite expensive. We recommend that you view it as an investment in your retirement. You should weigh the purchase cost against all potential benefits the additional service can provide.

Do Any of These Describe You?

- You were previously a PSRS or PEERS member and took a refund of your contributions and interest when your past membership ended.
- You took unpaid maternity or paternity leave.
- You were on unpaid sick leave during the past two school years.
- You previously worked at a school that was not covered by PSRS.
- You worked in a job that was covered by Social Security.
- You have previously served in active military duty.

If so, then you may be eligible to purchase service. Contact us at **(800) 392-6848** to learn more.

Board Sets Interest Rates on Contributions, Reinstatements and Service Purchases

Interest on Contributions

At the April meeting of the PSRS/PEERS Board of Trustees, the Board voted to increase the interest rate active members earn on their contributions from 1% to 2% effective June 30, 2018. This increase was recommended by staff and based on recent increases in the Federal Funds Rate.

Interest is credited June 30 each year on the total contributions and interest in a membership, as of the previous June 30. This occurs until the membership is closed. Memberships are closed due to retirement, a refund of a member's contributions and interest, the death of the member, or when the member is not vested and is out of PSRS-covered employment for five consecutive school years.

The interest rate has no impact on the amount of your retirement benefits. Interest is paid out through lump-sum payments made to members who request refunds of their contributions and the interest earned on those contributions, and to the beneficiaries of deceased members.

Interest on Reinstatements and Purchases of Service

In accordance with PSRS/PEERS regulations, the Board voted to maintain the interest rate charged on the reinstatement of previously forfeited service and applicable service purchases at 7.6%. This is the Systems' assumed, or target rate of return on investments.

Steliga and Hoffman Re-Elected to the PSRS/PEERS Board of Trustees

Board members Jason Steliga and Jason Hoffman, whose current terms on the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees end June 30, 2018, were the only individuals to file for two open Board seats. Since they were the only two candidates certified for the vacancies, they were automatically elected. If other candidates had filed, an election would have been held this month for those positions.

Both will begin their new, four-year terms on July 1, 2018, and serve through June 30, 2022.



Jason Hoffman

district. Previously, he served as business manager for both the Hallsville R-IV and Centralia R-VI school districts. Hoffman is a past president of the Missouri Association of School Business Officials (MoASBO).

The Board Election Process

Individuals interested in running for these Board seats were asked to obtain petition forms from PSRS/PEERS and return them by February 19, 2018, along with 200 or more member signatures from each of any four Missouri congressional districts, plus sufficient additional signatures to total at least 1,000. All active and retired members of PSRS and PEERS are eligible to sign petitions and vote for candidates.

An auditing committee comprised of representatives of various Missouri educational associations examined the petitions February 26, and certified to the Board that Steliga and Hoffman were qualified candidates.



Jason Steliga

Jason Steliga was first elected to the Board October 21, 2015. He has more than 13 years of teaching experience and is presently the high school science department chair for the Center School District, located in Kansas City, MO, teaching advanced placement and upper-level science courses. Steliga has served on the Missouri National Education Association (MNEA) Legislative Committee for several years. He currently serves as the chair of the Membership Advisory Committee for MNEA.

Jason Hoffman was first elected to the Board of Trustees July 1, 2010, and is presently serving his second term. Hoffman is currently the chief of operations for the Jefferson City Public School

Board Leadership Selected for 2018-2019 School Year

At their April meeting, the Board re-elected Dr. Aaron Zalis to serve as chair and Jason Hoffman to serve as vice chair for the 2018-2019 school year (July 1, 2018 to June 30, 2019).

Trustees vote on Board leadership each April for the upcoming school year.



Keeping Your Personal Information Safe in the Digital Age

As the world becomes more and more dependent on all things digital, PSRS, like any other financial institution, must work constantly to keep our members' personal and financial information secure and out of the hands of those who wish to misuse it for personal gain.

At the same time, we are always looking for ways to better serve our members. Often this means providing information or services online or through electronic means such as email. It requires a delicate balance of security versus convenience.

PSRS Current Security Overview

Because keeping your personal and financial information safe is something we take very seriously, we incorporate data security into all aspects of our operation.

PSRS employs a multi-layered approach to data security, including state-of-the-art data protection on the Retirement Systems' computer networks and websites, as well as preventative measures for protecting your information when you contact us by phone, email and even in person.

Computer Networks and Stored Data

The PSRS IT department has implemented advanced technologies and industry best standards to prevent unauthorized users from accessing System information. Our network is monitored for anomalies and intrusions 24/7, and secured and monitored by next-generation firewalls to keep unauthorized outside computers from accessing the network. Network traffic and system audit logs are automatically stored and analyzed to detect anything out of the ordinary. Advanced endpoint threat detection software helps identify and stop threats on machines within our network.

PSRS also uses secure email systems with impersonation defenses, anti-spam features and multiple layers of malware protection to help prevent data breeches through email viruses. External network scans are performed regularly to ensure that any vulnerabilities are quickly found and remediated.

Secure Access to Membership Information Online

Multiple measures are in place to ensure that members who take advantage of the PSRS' online information portal, Web Member Services (WMS), do so securely. To use Web Member Services members must first register. To register as a Web Member Services user, members must enter a temporary verification code sent to them using the contact information we have on record. In addition, Web Member Services uses mutual authentication technology. That means first-time users must set up and answer security questions, and select a security image to verify their identity when logging in to view membership information. In addition, changes to personal information on record with PSRS, or to Web Member Services log in information, are acknowledged by letter or email using the contact information we have on file, to help ensure the changes were not made fraudulently by someone other than you.

Protecting Your Information via Phone and Email Contacts

Similarly, Information Center staff uses security questions to validate the identity of any member who calls in to discuss retirement or benefit information. Conversations that include personal or membership information can be carried out by phone, after this verification is complete. If we receive requests for sensitive information by email, we will respond with a phone call. However, if you need a form or have a general question, we are happy to provide general information via email.

We will not:

- Include any of your personal or specific membership information in a reply email. If needed, we will call or mail the information to you.
- Ask you for your Social Security number or other sensitive information in an email.
- Send you an emailed link to log in to your membership information online. You should only log in directly from the Member Log In link found on the PSRS website.

When You Visit

Our security processes extend to our physical location as well. If you visit our office to speak to a counselor or attend a meeting, we verify your identity by requesting a photo ID. You will be issued a special visitor badge to signify that you are authorized to be in the building. No one is allowed in the building without such a badge, including our staff. The badges are part of a building security system and are required in order to enter and move from section to section and floor to floor.

General Tips to Keep Your Personal Information Safe

Using Email

Email is a fast and convenient way to communicate, but it can be a security concern. Here are some email tips:

- Don't click on attachments from untrustworthy or unknown sources. Clicking on a malicious attachment can install malware on your machine, like a worm or virus.
- If you get an attachment from someone you know that you were not expecting, check with the sender to confirm it was sent on purpose. It might be a malicious email sent by a spammer and meant to look like it is from someone you know.
- As a general rule, experts on data security and identity theft recommend that you not include sensitive information, such as your Social Security number, bank account numbers or bank routing numbers in email messages. Standard email is not a secure form of communication and may be intercepted or modified by third parties who do not have your best interest in mind.

Securing Your Web Member Services Experience: Using Temporary Verification Codes

PSRS has implemented a new, more secure and convenient method of ensuring the security of your Web Member Services access.

New Web Member Services registrants receive a temporary verification code, which must be entered during the registration process. This code can be mailed, emailed, texted or sent by voice message using the contact information we have on file. This simple process helps prevent unauthorized users from setting up online access to our members' retirement information online.

In addition, whenever a return user logs in to Web Member Services from an unregistered device, the same temporary verification code process is used help prevent unauthorized access to your information.

General Tips to Keep Your Personal Information Safe

Shopping Online

Only use your credit card on websites with the prefix "https." The "s" in the https indicates that the site in question is using a secure protocol to encrypt communications between you and the website. You'll see this used on PSRS Web Member Services, banking sites and shopping sites if you're looking at sensitive information.

Protecting Your Passwords

- Avoid sharing your passwords.
- Choose passwords that are difficult to guess. Many websites require passwords to contain a certain minimum number of characters and to include a combination of uppercase and lowercase letters, numbers and other symbols.
- Make sure you have a different password for each service you use. If you re-use the same password for more than one log in, and a hacker cracks one account, he or she will be able to access all your other accounts with the same password.



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SYSTEM OF MISSOURI

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Ask Us When You Need Information About Your PSRS Retirement

When you need PSRS-specific information or assistance, it is best to come directly to us. Our retirement counselors are experts on PSRS retirement and are here to help. Whether you have questions about your retirement benefits or need help completing the necessary applications and forms, our highly trained staff is here to assist you free of charge.

“Helping with retirement paperwork is an important part of our service to members,” said Amanda Bryant, PSRS Benefits Supervisor. “We will make sure you have all the information you need, when you need it. There is never a cost for this service.”

Many PSRS members choose to enlist the help of a financial planner when preparing for retirement. A qualified, trusted financial planner can provide valuable advice through an evaluation of your overall financial situation.

Even when working with a financial planner, it is important to remain engaged in your retirement planning. Make it your goal to understand all your options, so you can work with your financial planner to make decisions that are right for you.